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European Animal Feeds

Recently two European Commission Scientific Committees released reports on dioxins and dioxin-like PCBs in the food chain. Products of vegetable origin were found to have very low levels while both wild fish and farmed fresh water fish (and fish products), had significant concentrations of dioxins and dioxin-like PCBs.

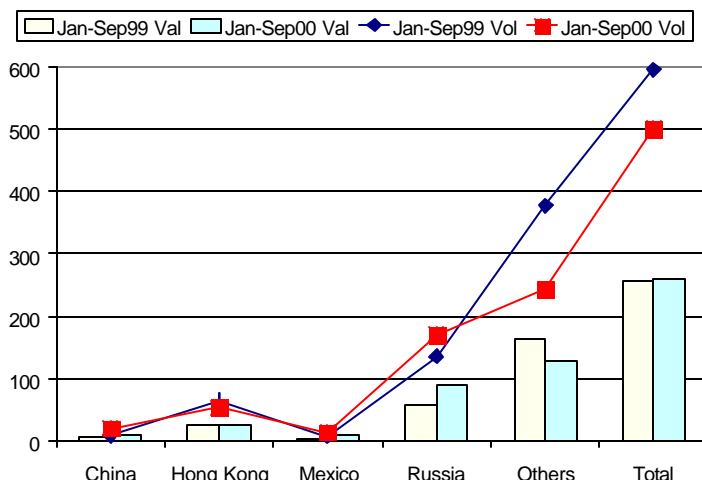
Food of animal origin is a predominant source of exposure of dioxins to consumers and food contamination is directly related to feed contamination. Fish meal and fish oil from European fish are heavily contaminated feed. Fish from nonindustrial regions, such as South Pacific stock, have a fraction of the dioxins found in European fish. To lower the risk of dioxins in the food chain, the Scientific Committee on Animal Nutrition recommended reducing the most contaminated feed by using lesser-contaminated sources, such as replacing fish meal with plant protein.

Recently the European agriculture ministers approved a six-month ban (effective in January) on meat and bonemeal in feed in an effort to stop the spread of mad cow disease. The initial ban did not include fishmeal used in pig and poultry feed. At that time, EU officials estimated about three million tons of soymeal would be needed to replace the meat-based meal.

USDA recently revised world supply and demand estimates to increase its estimate of soybean exports in the 2000-01 marketing year. U.S. growers are expected to benefit from the European Union ban on meat and bone meal. A reduction in the use of fish meal could create additional demand for soybeans.

Source: European Commission Health and Consumer Protection, USDA and other sources

U.S. Exports of Chicken Leg Quarters



Value in million dollars, Volume in thousand metric tons

Source: USDA/Foreign Agricultural Service

BSE Fears in Europe Increase Duck Sales

Consumer reaction to the BSE situation has stimulated sales of duck in France. Sales of duck have risen between 20 and 30 percent since October, faster than other poultry. Ducks are fed an entirely vegetable diet and not given any meat and bonemeal feed. France produces more duck meat than any country except China. Production has increased steadily, from 138,900 metric tons in 1993 to 225,100 in 1999 and a projected 236,500 in 2000.

The spread of the BSE in France has caused beef consumption to fall by 60 percent. Beef production in Spain has dropped by almost 70 percent and consumer sales by between 22 and 25 percent.

Source: Watt Publishing Co, United Nations Food and Agriculture Organization.

Danish Layers

A program introduced in Denmark in 1997 to combat salmonella has produced highly positive results in the layer sector, although at a high price. Early in 1998, some 10 percent of battery hens and 35 percent of non-cage hens were contaminated, contrasting starkly with less than 3 percent now. The measures have led to the closure of 400 egg farmers, a reduction of 20 percent. Imports of table eggs into Denmark doubled from 12,000 tons in 1995 to 24,000 tons in 1999. Danish egg producers blame the strict salmonella control regime for this increase.

The measures taken are considered to be among the most stringent in the world. The control affects all strains of salmonella during all stages of production. A sample of chicks is examined on arrival at the rearing farm, and during the first, second, fourth and eighth week, as well as two weeks before being moved to the laying premises. Then, samples are tested in the second and fourth week in the case of hatching eggs, and every nine weeks for table eggs. If any infection is found, the birds are destroyed. Table eggs that are contaminated are destroyed or heat-treated. Additionally, various measures to improve the sanitary conditions in the production and transporting of poultry feed are in place.

Source: International Egg Commission

Export Enhancement Program

The Commodity Credit Corporation accepted two bids from Tyson Foods, Inc under the Export Enhancement Program (EEP) for frozen poultry to Middle East Countries. The awards totaled 152 MT of frozen poultry for delivery December 18, 2000 through January 15, 2001. The bonus was \$650 per MT. The Middle East Countries' remaining EEP balance is 19,290 MT.

Source: USDA/Foreign Agricultural Service

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Dec 16, 2000		Year-To-Date	
2000	1999 /1	2000	1999
Liquid	230	320	7,406
Frozen	0	0	239
Dried	0	0	653
Total	230	320	8,298

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Dec 16, 2000		Year-To-Date	
2000	1999 /1	2000	1999
Liquid	22	31	4,855
Frozen	63	3	943
Dried	19	0	935
Total	104	34	6,733

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Dec 16, 2000		Year-To-Date	
2000	1999 /1	2000	1999
Jumbo	173	950	2,444
Extra Large	3,010	1,850	53,656
Large	11,465	6,575	156,577
Medium	1,808	240	40,705
Ungraded	4,500	12,770	393,044
Misc	510	0	13,247
Total	21,466	22,385	659,673

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Pltry Development Div.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 16-Dec-00
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,900	1,202	3,102
LAST WEEK	1,927	1,353	3,280
SAME WEEK YR AGO	2,594	2,544	5,138
TO-DATE/2000	94,278	71,787	166,065
TO-DATE/1999	103,480	71,715	175,195

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	361	0	361
LAST WEEK	447	11	458
SAME WEEK YR AGO	427	0	427
TO-DATE/2000	22,256	387	22,643
TO-DATE/1999	22,840	282	23,122

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED
IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,261	1,202	3,463
LAST WEEK	2,374	1,364	3,738
SAME WEEK YR AGO	3,021	2,544	5,565
TO-DATE/2000	116,534	72,174	188,708
TO-DATE/1999	126,320	71,997	198,317

*****NOTICE*****

"Effective January 5, 2001, all prices and volumes of mechanically separate chicken meat and chicken with added skin will be reported on an FOB shipper dock or equivalent basis so prices can be more accurately compared within and between regions."

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 22-DEC-00

CHICKEN PRICES

	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
FAT				
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	-	-	14.00	-
WTD AVERAGE			14.00	

40,800 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	19.00-21.00	21.00-23.00	11.00-14.00	13.50-15.00
WTD AVERAGE	19.66	21.18	11.67	14.50

1,652,400 pounds, this includes 1,366,800 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 22-DEC-00

CHICKEN PRICES

	-----FROZEN-----		-----FRESH-----	
	FOB DOCK	DELIVERED	FOB DOCK	DELIVERED
FAT				
CONTENT				
15% OR LESS				
RANGE	20.00	-	17.00	-
WTD AVERAGE	20.00		17.00	

390,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	17.00-21.00	-	-	16.00
WTD AVERAGE	18.74			16.00

344,000 pounds, this includes 104,000 pounds for export shipment.

15-20%				
RANGE	13.50-22.00	-	12.00-15.00	13.00
WTD AVERAGE	19.22		13.55	13.00

2,340,000 pounds, this includes 1,450,000 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	13.50
WTD AVERAGE				13.50

120,000 pounds, this includes 0 pounds for export shipment.

*INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

DECEMBER 22, 2000

Undertone about steady on fresh tom breast meat for prompt shipments with some expressing confidence in the market for product shipped during next week's holiday processing schedules. Inquiry slow to fair on fresh tom breast meat for next week's shipments for the light offerings. Domestic trading light on all items. Export inquiry for ranged light to fair for delivery by year end to Mexico. Offerings for export were light for prompt deliveries, light to adequate for January 2001. Some industry members are starting to express concerns about being able to satisfy buyer interest and meet existing commitments for product delivered export by year-end due to developing transportation issues.

FRIDAY, DECEMBER 22, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	24.00		24.00	80	24.89	304
WINGS FULL-CUT - TOMS	20.00-23.00		21.82	132	22.26	212
WINGS, V-TYPE, TOM		F	25.50	312		
TAILS		W	19.00	312	19.00	312
MECHANICALLY SEPARATED 2/	23.00		23.00	40	22.33	120
THIGH MEAT - FROZEN	72.00-78.00		75.71	280	76.83	800

THURSDAY, DECEMBER 21, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	27.00		27.00	104
WINGS FULL-CUT - TOMS		W	23.00	80
WINGS, V-TYPE, TOM		F	25.50	312
TAILS		W	19.00	312
MECHANICALLY SEPARATED 2/		M	22.00	80
THIGH MEAT - FROZEN	76.50-78.00		77.79	280

WEDNESDAY, DECEMBER 20, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	23.00		23.00	80
WINGS FULL-CUT - TOMS	23.00		23.00	80
WINGS, V-TYPE, TOM		F	25.50	312
TAILS	19.00		19.00	312
MECHANICALLY SEPARATED 2/		M	22.00	80
THIGH MEAT - FROZEN	76.00		76.00	120

TUESDAY, DECEMBER 19, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	25.00		25.00	40
WINGS FULL-CUT - TOMS		F	19.33	156
WINGS, V-TYPE, TOM		F	25.50	312
TAILS		W	23.00	120
MECHANICALLY SEPARATED 2/		M	22.00	80
THIGH MEAT - FROZEN	78.00		78.00	120

MONDAY, DECEMBER 18, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	23.29	1,320
WINGS FULL-CUT - TOMS		F	19.33	156
WINGS, V-TYPE, TOM		F	25.50	312
TAILS		W	23.00	120
MECHANICALLY SEPARATED 2/	22.00		22.00	80
THIGH MEAT - FROZEN		F	74.20	200

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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